

This Listing Statement is compiled by the Exchange from documents filed by the Company in making application for listing. It is issued for the information of members, member firms and member corporations of the Exchange. It is not and is not to be construed as a prospectus. The Exchange has received no consideration in connection with the issue of this Listing Statement other than the customary listing fee. The documents referred to above are open for inspection at the general office of the Exchange.

LISTING STATEMENT No. 2095

LISTED MARCH 12, 1962

120,000 6% cumulative redeemable preference shares of \$20 par value.

Ticker abbreviation REV PR

Post section 11.

600,005 common shares without nominal or par value

Ticker abbreviation REV

Post section 11.

## TORONTO STOCK EXCHANGE

### LISTING STATEMENT

## REVELSTOKE BUILDING MATERIALS LIMITED

Incorporated under the laws of the Province of Alberta by Certificate of Incorporation

dated February 1, 1928

### COMMON SHARES WITHOUT PAR VALUE

6% CUMULATIVE REDEEMABLE PREFERENCE SHARES, 1961 SERIES

WITH A PAR VALUE OF \$20.00 EACH

(Both Classes Transferable in Toronto, Montreal, Calgary and Vancouver)

### CAPITAL SECURITIES AND FUNDED DEBT AS AT

FEBRUARY 15, 1962

SHARE CAPITAL	AUTHORIZED	ISSUED AND OUTSTANDING	TO BE LISTED
6% Cumulative Redeemable Preference Shares with a par value of \$20.00 each, issuable in series	300,000		
1961 series		120,000(1)	120,000
Common Shares without nominal or par value	1,000,000	600,005	600,005
FUNDED DEBT			
20 year Sinking Fund Debentures, 6½% series due in 1981	\$4,000,000.00	\$3,720,000.00(2)	Nil

(1) Of the total issue of 125,000 6% Cumulative Redeemable Preference Shares, 1961 Series, 5,000 were redeemed by the Company on January 4, 1962, in anticipation of stock purchase fund requirements and in accordance with the terms of issue of the Preference Shares 1961 series, and had them cancelled.

(2) The Company did on November 17, 1961, repurchase \$80,000.00 par value and on January 4, 1962, a further \$200,000.00 par value sinking fund debentures 6½% series due 1981, in anticipation of the sinking fund requirements and in accordance with the terms of issue of these debentures, and had them cancelled.

### 1. APPLICATION 15th February 1962

Revelstoke Building Materials Limited, (herein called "the Company") hereby makes application for the listing on the Toronto Stock Exchange of 120,000, 6% cumulative, redeemable, preference shares, 1961 series, par value of \$20.00 each, and 600,005 common shares without nominal or par value all of which are issued and outstanding as fully paid and non-assessable.

### 2. HISTORY

Reference is hereby made to the attached prospectus issued by the Company under date of August 28th, 1961, with respect to an offering of \$4,000,000.00 20 year sinking fund debentures, 6½% series due 1981, 125,000 6% cumulative redeemable preference shares, 1961 series of the par value of \$20.00 each and 456,000 common shares without nominal or par value, a copy of which prospectus is incorporated in this application and made a part hereof. Since the date of this prospectus there have been no material changes in the contents of the prospectus as filed except that

(1) due to impossibility of registering the Company in the Province of British Columbia the Company had to sell its operating assets in British Columbia to its wholly owned subsidiary, Revelstoke Sawmill Company (Sundre) Limited and

(2) this Company has reactivated a subsidiary, Tuba 4 Transport Ltd., which is now in the business of common carrier. See details under Paragraph 7.



3.

## OPINION OF COUNSEL

Messrs. Chambers, Might, Saucier, Peacock, Jones, Black and Gain, Barristers and Solicitors, 3rd Floor, Bentall Building, Calgary, Alberta, Counsel for the Company, are filing in support of this application an opinion stating amongst other things that—1. The Company is duly incorporated and is a valid and subsisting corporation in good standing under the laws of the Province of Alberta. 2. The duly authorized capital of the Company consists of the securities as cited above. 3. The securities shown as having been issued have been duly issued and are outstanding as fully paid and non-assessable.

4.

## SHARES ISSUED DURING PAST TEN YEARS

The only shares issued during the past 10 year period are those covered by the attached prospectus dated August 28, 1961.

5.

## DIVIDEND RECORD

	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	FISCAL YEAR TOTALS
REVELSTOKE SAWMILL COMPANY LIMITED								
April, 1952.....				15.00		10.00		25.00
April, 1953.....				10.00		10.00		20.00
April, 1954.....				12.50		10.00		22.50
April, 1955.....		12.50				10.00		22.50
April, 1956 (Stock Split 22 Dec. 1955) .....	10.00				10.00	.10		20.10
April, 1957.....					.20		.10	.30
April, 1958.....				.20		.10		.30
April, 1959.....			.10		.10	.10		.30
April, 1960.....				.10	.10	.10		.30
April, 1961.....				.20			.10	.30
ATLAS LUMBER COMPANY LIMITED								
April, 1952.....				10.00		10.00		20.00
April, 1953.....				15.00		10.00		25.00
April, 1954.....				12.50		10.00		22.50
April, 1955.....		12.50				10.00		22.50
April, 1956 (Stock Split 22 Dec. 1955) .....	10.00				10.00	.10		20.10
April, 1957.....		.10		.10			.10	.30
April, 1958.....			.10	.10		.10		.30
April, 1959.....			.10		.10	.10		.30
April, 1960.....				.10	.10	.10		.30
April, 1961.....					.20		.10	.30
REVELSTOKE BUILDING MATERIALS LIMITED								
December, 1961—Preference.....					21.37 cents			21.37 cents

6.

## RECORD OF PROPERTIES

The Company owns in fee simple all of the properties referred to in Page 2 of the prospectus except those in British Columbia, which are owned by the Company's wholly owned subsidiary, Revelstoke Sawmill Company (Sundre) Limited.

In addition Kamloops Lumber Company Limited, owns and operates a sawmill, planing mill, transit mix and retail outlet at Kamloops, British Columbia.

Knight Lumber Company Limited leases property on which it operates a planing mill at Elko, British Columbia.

Revelstoke Sawmill Company (Sundre) Limited, in addition to the properties referred to above, owns property in the Town of Sundre, Alberta, on which it operates a planing mill.



7. SUBSIDIARY COMPANIES

	KAMLOOPS LUMBER COMPANY LIMITED	REVELSTOKE SAWMILL COMPANY (SUNDRE) LIMITED	KNIGHT LUMBER COMPANY LIMITED	TUBA 4 TRANSPORT LTD.
Date and Manner of Incorporation	*Certificate of Incorporation dated March, 1948 under B.C. Companies Act	Certificate of Incorporation dated October 8, 1952 under Alberta Companies Act	Certificate of Incorporation dated May 15, 1945 under B.C. Companies Act	Certificate of Incorporation dated April 25, 1905 under the Companies Ordinance of The North-West Territories of Canada
Nature of Business	Manufacturer of lumber and dealer in lumber and building supplies	Dealer in lumber and building supplies	Manufacturer of lumber and dealer in lumber and building supplies	Common Carrier
Capital Stock Issues Authorized	400,000 common shares of the par value of \$1.00 each	1,000 common shares of the par value of \$100.00 each	20,000 common shares of the par value of \$1.00 each	50,000 common shares of the par value of \$1.00 each
Issued	300,000	30	16	50,000
Amount Owned by the Company	204,000	30	16	50,000

\*The above date is the date of incorporation of the original Kamloops Lumber Company Limited.

On December 18th, 1961, a Certificate of Amalgamation was granted to Kamloops Lumber Company Limited and Scuitto Lake Lumber Company Limited under the provisions of the British Columbia Companies Act applicable to statutory amalgamations to continue as an amalgamated company under the provisions of the British Columbia Companies Act with the same Memorandum and Articles of Association and the identical name as the original Kamloops Lumber Company Limited. The share capital shown above is for the new company.

8. FUNDED DEBT

	AUTHORIZED	ISSUED AND OUTSTANDING
Twenty year sinking fund debentures 6½% series to mature September 1, 1981.....	\$4,000,000.00	\$3,720,000.00
Interest payable semi-annually on March 1st and September 1st.		
None of the subsidiary companies have any funded debt.		

9. OPTIONS, UNDERWRITINGS, etc.

The Company has no options, underwriting agreements, sales agreements or other contracts or agreements of like nature outstanding with regard to any of the Company's shares. No issued shares of the Company are held for its benefit.

10. LISTING ON OTHER STOCK EXCHANGES

The Company's securities are not listed on any other stock exchange.

11. STATUS UNDER SECURITIES ACTS

The offering of 125,000 6% Preference Shares and 456,000 Common shares as hereinbefore described has been qualified for sale to the public in Ontario, British Columbia, Saskatchewan, Quebec, New Brunswick, Nova Scotia, Newfoundland, Manitoba, Alberta and Prince Edward Island.

12. FISCAL YEAR

The fiscal year end of the Company is December 31st, in each year.

13. ANNUAL MEETING

The Articles of Association of the Company provide that the annual meeting of the shareholders of the Company will be held on such day in each year as the board of directors of the Company may determine, provided that, in accordance with the Alberta Companies Act it shall be held within 16 months of the previous such meeting. Prior to the reorganization described in the prospectus the Company was inactive and did not carry on any business. The first annual meeting of the Company as a going concern is yet to be held.

14. HEAD AND OTHER OFFICES

The head office of the Company is located at 508-24th Avenue South-West, Calgary, Alberta. The registered office for the Province of Saskatchewan is located at Cheadle Street and First Avenue West, Swift Current, Saskatchewan.

15. TRANSFER AGENTS and REGISTRARS

Transfer Agent and Registrar for the Preference Shares: Canada Permanent Toronto General Trust Company, Calgary, Toronto, Montreal and Vancouver.

Transfer Agent and Registrar for Common Shares: Montreal Trust Company, Calgary, Toronto, Montreal and Vancouver.

The shares are mutually interchangeable.

16. TRANSFER FEE

No fee is charged on stock transfers other than the customary government stock transfer taxes.

17. AUDITORS

The auditors of the Company are: Henderson, Waines and Anderson, Chartered Accountants, 504-Lancaster Building, Calgary, Alberta.



18.

# OFFICERS

OFFICE	NAME	ADDRESS
President & General Manager	Brett Franklin Sine	1302 Council Way, Calgary, Alberta.
Vice-President	Charles Edward Sine	909 Ridge Road, Calgary, Alberta.
Vice-President	Jacob Philip Glaum	2212 Richmond Road, Calgary, Alberta.
Vice-President	John Brydon Hall	2552 Toronto Crescent, Calgary, Alberta.
Secretary-Treasurer	Keith Arthur Clive McDowell	1702 Broadview Road, Calgary, Alberta.

19.

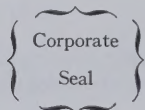
# DIRECTORS

NAME	ADDRESS
Brett Franklin Sine	1302 Council Way, Calgary, Alberta
Charles Edward Sine	909 Ridge Road, Calgary, Alberta
Jacob Philip Glaum	2212 Richmond Road, Calgary, Alberta
Samuel Holler Rogers	2317 Newton Avenue South, Minn., Min.
James Caven Mahaffy	R.R. No. 3, Calgary, Alberta
John Howard Kelly	1007 Hillcrest Avenue, Calgary, Alberta
Frank Lawson Glasgow	4855 Cote St. Luc Road, Montreal, Quebec

## CERTIFICATE OF OFFICERS

Pursuant to a resolution duly passed by its board of directors the applicant company hereby applies for listing of the above mentioned securities on The Toronto Stock Exchange, and the undersigned officers thereof hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

REVELSTOKE BUILDING MATERIALS LIMITED,



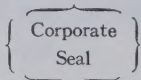
"B. F. SINE"  
President

"K. A. C. McDOWELL"  
Secretary-Treasurer

## CERTIFICATE OF UNDERWRITER

To the best of my knowledge, information and belief, all of the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

ROYAL SECURITIES CORPORATION LIMITED



"IVAN A. MARTIN"  
Vice-President & Director

"F. B. HOYLAND"  
Treasurer & Director

## STATEMENT SHOWING NUMBER OF SHAREHOLDERS

Distribution of Preference stock  
as of January 25, 1962

Number	Shares
728 Holders of 1— 100 share lots.....	37,265
124 " " 101— 200 " " .....	20,864
35 " " 201— 300 " " .....	8,900
19 " " 301— 400 " " .....	6,835
15 " " 401— 500 " " .....	7,425
7 " " 501—1000 " " .....	5,235
10 " " 1001—up " " .....	33,476
938 Stockholders	Total shares.....120,000

## STATEMENT SHOWING NUMBER OF SHAREHOLDERS

Distribution of Common stock  
as of February 6, 1962

Number	Shares
1033 Holders of 1— 100 share lots.....	56,652
221 " " 101— 200 " " .....	39,934
43 " " 201— 300 " " .....	11,685
24 " " 301— 400 " " .....	9,250
40 " " 401— 500 " " .....	19,440
46 " " 501—1000 " " .....	38,955
34 " " 1001—up " " .....	424,089
1441 Stockholders	Total shares.....600,005

# **Revelstoke Building Materials Limited**

**\$4,000,000**

**20-Year Sinking Fund Debentures, 6½% Series due 1981**

**\$2,500,000**

**6% Cumulative Redeemable Preference Shares, 1961 Series,**  
**(Par Value \$20.00 Per Share)**

**456,000 Common Shares**

**(Without Nominal or Par Value)**

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A copy of this prospectus has been filed with the Registrar of Companies for the Province of Alberta. This prospectus is not, and under no circumstances is to be construed as, a public offering of these Securities for sale in the United States of America or in the territories or possessions thereof.

**NEW ISSUE**

**August 28, 1961**

# **\$4,000,000**

## **Revelstoke Building Materials Limited**

**20-Year Sinking Fund Debentures, 6½% Series due 1981**

**and**

**160,000 Common Shares (Without Nominal or Par Value)**

The 20-Year Sinking Fund Debentures, 6½% Series due 1981 and the Common Shares will be offered in Units, each consisting of a \$500 principal amount Debenture and 20 fully paid and non-assessable common shares.

**To be dated September 1, 1961**

**To mature September 1, 1981**

Principal, premium and semi-annual interest (March 1 and September 1) payable in lawful money of Canada at any branch of the Company's bankers in Canada. Coupon Debentures, denominations \$500, \$1,000 and authorized multiples thereof, registrable as to principal only. Redeemable (for other than sinking fund purposes) at the option of the Company as a whole at any time, or in part from time to time before maturity, on 30 days' notice at a premium of 6% up to and including August 31, 1962, the premium thereafter decreasing .3 of 1% each year or fraction thereof to and including August 31, 1981 and at maturity at the principal amount thereof, provided that no such redemption may be effected on or before September 1, 1967 directly or indirectly from or in anticipation of moneys borrowed by or on account of the Company or any affiliated company at an interest rate or an effective interest rate to the Company of less than 6½% per annum. Redeemable for sinking fund purposes, on 30 days' notice at the principal amount thereof; in each case with accrued interest to the date fixed for redemption.

Trustee: The Toronto General Trusts Corporation.

Transfer Agent and Registrar for Common Shares: Montreal Trust Company, Calgary, Toronto, Montreal and Vancouver.

The Trust Indenture will provide for an annual sinking fund for the retirement of Debentures of the 6½% Series due 1981, commencing September 1, 1962, of \$80,000 in 1962 and 1963, \$120,000 in 1964 and 1965, \$160,000 in each year from 1966 to 1970 inclusive and \$200,000 in each year from 1971 to 1980 inclusive. The Company will have the right to satisfy any sinking fund payment in whole or in part by delivery of Debentures of such series which will be taken at the principal amount thereof. Cash payments are to be employed by the Trustee in the purchase of such Debentures for cancellation and failing such purchase if the amount in the sinking fund exceeds \$100,000 in drawings for redemption of Debentures of such series at the principal amount thereof.

*We, as principals, offer these Units for delivery if, as and when issued and accepted by us and subject to prior sale and change in price and the approval of counsel of all proceedings.*

**Price: \$600.00 per Unit (\$500 of Debentures and 20 Common Shares) and accrued interest on the Debentures.**

*The Common Shares have been approved for listing on the Toronto Stock Exchange subject to the filing of required documents and evidence of satisfactory distribution.*

*It is expected that Interim Debentures, in bearer form, and share certificates will be available for delivery on or about September 27, 1961.*

*All legal matters in connection with the issue of these Debentures and Common Shares are subject to the approval of Messrs. Chambers, Might, Saucier, Peacock, Jones, Black & Gain of Calgary, Alberta.*

A copy of this prospectus has been filed with the Registrar of Companies for the Province of Alberta. This prospectus is not and under no circumstances is to be construed as, an offering of these shares for sale in, or to any person resident in, the United States of America or in the territories or possessions thereof.

**NEW ISSUE**

August 28, 1961

**\$2,500,000**

# **Revelstoke Building Materials Limited**

**6% Cumulative Redeemable Preference Shares, 1961 Series,  
(Par Value \$20 per share)**

**125,000 Common Shares (Without Nominal or Par Value)**

The 6% Cumulative Redeemable Preference Shares, 1961 Series, (hereinafter sometimes referred to as the "Preference Shares, 1961 Series"), and the Common Shares will be offered in Units, each consisting of one Preference Share, 1961 Series, and one Common Share.

Preference Shares, 1961 Series, will be preferred as to capital and dividends. Entitled to fixed cumulative preferential cash dividends payable quarterly at par at any branch of the Company's bankers in Canada on the first days of March, June, September and December in each year, if, as and when declared by the Board of Directors, at the rate of 6% per annum, to accrue and be cumulative from September 27, 1961. Redeemable as a whole at any time, or in part from time to time, at the option of the Company on at least 30 days' notice, at \$21.25 per share through December 1, 1965; thereafter through December 1, 1969 at \$21.00 per share; thereafter through December 1, 1973 at \$20.75 per share and thereafter at \$20.50 per share; in each case plus accrued and unpaid dividends calculated to the date fixed for redemption. Entitled to priority to the extent of the prevailing redemption price on liquidation or dissolution of the Company, but without any further right to participate in profits or assets. Subject to the right of the Company to purchase such shares for cancellation at any time at or under the prevailing redemption price plus reasonable costs of purchase. Non-voting unless and until six quarterly dividends are in arrears and thereafter, so long as any dividend remains in arrears, entitled to one vote per share and, as a class, to elect one-third of the number of directors.

The Company will establish a stock purchase fund for the Preference Shares, 1961 Series, commencing in the year 1965, particulars of which stock purchase fund are set out on page 5 of this prospectus.

These Preference Shares, 1961 Series, and Common Shares, when issued, will be fully paid and non-assessable. The preferences, rights, conditions, restrictions, limitations and prohibitions to attach to the Preference Shares, 1961 Series, are more fully set out in the statutory information forming part of this prospectus.

Transfer Agent and Registrar for the Preference Shares: The Toronto General Trusts Corporation,  
Calgary, Toronto, Montreal and Vancouver.

Transfer Agent and Registrar for Common Shares: Montreal Trust Company, Calgary, Toronto,  
Montreal and Vancouver.

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*We, as principals, offer these Units for delivery if, as and when issued and accepted by us and subject to prior sale and change in price and the approval of counsel of all proceedings. We reserve the right to close the subscription books at any time without notice and to reject any or all applications and also in any case to allot a smaller number of Units than may be applied for.*

**Price: \$25.00 per Unit (one Preference Share, 1961 Series,  
and one Common Share)**

*These Preference and Common Shares have been approved for listing on the Toronto Stock Exchange subject to the filing of required documents and evidence of satisfactory distribution.*

*It is expected that certificates in interim form will be available for delivery on or about September September 27, 1961.*

*All legal matters in connection with the issue of these Preference Shares, 1961 Series, and Common Shares are subject to the approval of Messrs. Chambers, Might, Saucier, Peacock, Jones, Black & Gain of Calgary, Alberta.*

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A copy of this prospectus has been filed with the Registrar of Companies for the Province of Alberta. This prospectus is not, and under no circumstances is to be construed as, a public offering of these common shares for sale in the United States of America or in the territories or the possessions thereof.

**NEW ISSUE**

August 28, 1961

# Revelstoke Building Materials Limited

## 171,000 Common Shares

(Without Nominal or Par Value)

Transfer Agent and Registrar:

Montreal Trust Company, Calgary, Toronto, Montreal and Vancouver

### CAPITALIZATION

(Giving effect to this financing)

	<u>Authorized</u>	<u>Outstanding</u>
Sinking Fund Debentures.....	( <sup>1</sup> )	\$4,000,000( <sup>2</sup> )
Preference Shares (par value \$20 each, issuable in Series).....	\$6,000,000	2,500,000( <sup>2</sup> )
Common Shares, without nominal or par value.....	1,000,000 shs.	600,005 shs.

(<sup>1</sup>) The issue of additional debentures is restricted by the Trust Indenture within mentioned, but not to any specific amount.

(<sup>2</sup>) \$4,000,000 6½% Series due 1981.

(<sup>3</sup>) 6% Cumulative Redeemable Preference Shares, 1961 Series. The issue of additional Preference Shares is restricted as more fully referred to in the statutory information forming part of this prospectus.

*These Common Shares, when issued, will be fully paid and non-assessable, and have been approved for listing on the Toronto Stock Exchange subject to the filing of required documents and evidence of satisfactory distribution.*

*We, as principals, offer these Common Shares for delivery if, as and when issued and accepted by us and subject to prior sale and change in price and to the approval of counsel of all proceedings. We reserve the right to close the subscription books at any time without notice and to reject any or all applications and also in any case to allot a smaller number of Common Shares than may be applied for.*

**Price: \$5.00 per Share**

*It is expected that certificates in interim form will be available for delivery on or about September September 27, 1961.*

*All legal matters in connection with the issue of these Common Shares are subject to the approval of Messrs. Chambers, Might, Saucier, Peacock, Jones, Black & Gain of Calgary, Alberta.*



*The following information has been supplied by Mr. B. F. Sine, President of Revelstoke Building Materials Limited:*

## THE COMPANY

Revelstoke Building Materials Limited (herein called "the Company") incorporated under The Companies Act of Alberta has agreed to acquire as going concerns the business and assets, except the shares of each vending company held by the other, of Atlas Lumber Company Limited and Revelstoke Sawmill Company Limited which, for over 55 years, have carried on successful retail lumber and building supply businesses in the Provinces of Saskatchewan, Alberta and British Columbia. Further particulars in respect of the predecessor companies are given below under the heading "History of Predecessor Companies".

Seventy-eight lumber yards and retail outlets are maintained throughout Saskatchewan, Alberta and British Columbia. Hardware stores are also maintained in conjunction with fifteen of these branches.

Transit Mix concrete plants are operated at five principal points, this branch of the business having been commenced in 1952. Original operations consisted of small portable machines which have been converted to full size plants capable of large-scale production. At Red Deer, Alberta, a gravel crushing and washing plant is an adjunct to the Transit Mix operation.

A fully modern millwork plant, located in close proximity to the retail yard in Calgary, houses the sash, door and millwork manufacturing as well as a prefabricated house assembly line. The manufacture of prefabricated houses has become an important and steadily growing part of the business.

Lumber supplies are obtained from timber resources covered by timber rights and leases and from various small sawmills operating at points within easy shipping distance from the retail outlets.

Lumber manufacturing is a major portion of the operations with planing mills strategically located at Rocky Mountain House, Whitecourt, Sundre and Coleman, Alberta. These mills are supported by the above mentioned timber resources. Planing mills are also operated in Calgary and Edmonton in conjunction with the retail lumber yards operated in those cities.

The administrative offices are located in a building owned in Calgary, which was completed in 1959 with ample parking facilities and provision for the erection of an additional storey as and when required. There are over 500 employees and to those eligible a pension plan, sickness benefits, hospitalization and group insurance plans are available on a contributory basis.

Insurance on plant and equipment, exclusive of cars, trucks, miscellaneous equipment and inventory, is carried at an amount in excess of \$4,750,000.

The Financial Statements for the years ended April 30, 1960 and 1961 reflect the depressed state of the building industry during those periods. This had a particularly serious effect on the profit realized by the mills on export lumber sales. To some extent this situation has been corrected and it is anticipated that more satisfactory results will be obtained this year. Total business to date is showing an increase which should continue for the balance of the year.

## HISTORY OF PREDECESSOR COMPANIES

Revelstoke Sawmill Company Limited (sometimes referred to herein as Revelstoke) was incorporated in 1905 to operate a saw and planing mill at Revelstoke, B.C., under the management of the late Mr. F. W. Hess. The company was controlled by the S. H. Bowman Lumber Company of Minneapolis, Minn. At the same time, Bowman Lumber Company Limited, also controlled by S. H. Bowman Lumber Company, was carrying on similar operations in Revelstoke under the direction of the late Mr. F. E. Sine. In 1906, the Revelstoke and Bowman companies opened retail outlets in the Prairie Provinces, the latter operating under the name of Bowman Sine Lumber Company Limited. This name was subsequently changed to Atlas Lumber Company Limited (sometimes referred to herein as Atlas). In 1912, as a result of substantially expanded retail operations, it was decided to establish headquarters in Calgary and operate both retail organizations under one management. This move was followed by further expansion which has continued with some variations to date.

The forerunner of the present millwork factory in Calgary was commenced by Revelstoke in connection with the retail yard there in 1913. The present millwork factory building was completed in 1954.



In 1921, it was considered advisable to establish a controlled source of supply for spruce lumber. Rocky Mountain House, because of its central location in Alberta and favourable freight rates to yards operated by the companies, was selected. A small planing mill was put into operation by Atlas at this point, which continued on a limited scale until 1927, when an up-to-date planing mill was constructed.

Cash dividends on the common shares of Revelstoke and Atlas have been paid without interruption since 1935.

The financing now being arranged by the sale of the securities described elsewhere in this prospectus will make available to Canadian investors an opportunity to participate in this heretofore American controlled operation. Management continues under the direction of B. F. Sine. Reference is made in that connection to the paragraph "Management" shown below.

## MANAGEMENT

Brett F. Sine, elder son of the late Mr. F. E. Sine, was employed by the organization in 1929 and worked in various capacities in Alberta and Saskatchewan until appointed General Manager of both Atlas and Revelstoke in 1956. He became President of the two companies in 1958 after the death of Mr. Hess. C. E. Sine, younger son of the late Mr. F. E. Sine, started with the organization in 1937. He is now Vice-President in charge of all lumber and building material purchases. J. A. Marshall, Vice-President of all hardware purchasing, joined the Revelstoke and Atlas organization in 1927. J. P. Glaum is Vice-President in direct control of the Transit Mix concrete operations and General Superintendent of the retail lumber yards. His association with the Company dates from 1931. J. B. Hall is Vice-President for Sales, his particular responsibility being in connection with export sales of lumber from company mills. He joined the organization in 1938.

## CAPITALIZATION

(Giving effect to this financing)

	<u>Authorized</u>	<u>Outstanding</u>
Sinking Fund Debentures.....	( <sup>1</sup> )	\$4,000,000 ( <sup>2</sup> )
Preference Shares (par value \$20 each, issuable in Series) . . . .	\$6,000,000	2,500,000 ( <sup>3</sup> )
Common Shares, without nominal or par value.....	1,000,000 shs.	600,005 shs.

(<sup>1</sup>) The issue of additional debentures is restricted by the Trust Indenture within mentioned, but not to any specific amount.

(<sup>2</sup>) \$4,000,000 6½% Series due 1981.

(<sup>3</sup>) 6% Cumulative Redeemable Preference Shares, 1961 Series. The issue of additional Preference Shares is restricted as more fully referred to in the statutory information forming part of this prospectus.

## PURPOSE OF ISSUES

The net proceeds to be derived from the debentures and shares to be issued by the Company will be used to acquire the business and assets, except the shares of each vending company held by the other, of Revelstoke Sawmill Company Limited and Atlas Lumber Company Limited as at April 30, 1961. The agreements to purchase the respective companies and their subsidiaries provide that all business since April 30, 1961, will be deemed to have been carried on for the account of Revelstoke Building Materials Limited.

## CERTAIN PROVISIONS OF THE TRUST INDENTURE

The 20-Year Sinking Fund Debentures, 6½% Series due 1981 will be direct obligations of the Company and are to be issued under a Trust Indenture in favour of The Toronto General Trusts Corporation as Trustee. The Company will covenant, in effect, in the Trust Indenture, among other things, that so long as any Debentures issued thereunder remain outstanding it will not

- A. charge any of its assets to secure any obligations (other than purchase money obligations or security given by the Company or any subsidiary company to banks in the ordinary course of its business to secure loans maturing within twelve months) without at the same time securing all the Debentures issued under the Trust Indenture equally and ratably with such obligations.

- B. declare or pay any dividends (other than stock dividends) or pay off any of its capital stock (other than from the proceeds of the sale of its shares) or elect to pay any tax on undistributed income when it is in arrears of payment of principal, interest, premium or sinking fund obligations under the Trust Indenture or when its consolidated net current assets are, or would thereby be, reduced below the sum of \$4,000,000, or when the aggregate of capital and consolidated surplus (to be defined in the Trust Indenture) is, or would thereby be, reduced below \$5,000,000.
- C. permit any subsidiary to incur or guarantee any funded obligations, except to or of the Company or to a trustee in support of a guarantee of indebtedness of the Company.
- D. dispose of any funded obligations of a subsidiary.
- E. issue or become liable upon any funded obligations additional to those outstanding on October 1, 1961 (except for refunding purposes) unless:
  - (i) its consolidated net tangible assets are at least two and one-half times the sum of the principal amount of funded obligations outstanding and those proposed to be issued; and
  - (ii) average annual consolidated net earnings of the Company for the two fiscal years preceding such proposed issue were at least equal to four times the annual interest requirements in respect to all funded obligations of the Company outstanding and those proposed to be issued, excluding, however, funded obligations to be retired out of the proceeds of the proposed issue.
- F. create or issue or become liable upon any additional funded obligations which in any year prior to September 1, 1981, shall mature in amounts or be entitled to sinking fund payments which in the aggregate for each year exceed the sinking fund payments for the Debentures unless the sinking fund payments for the Debentures are correspondingly increased except that up to 30% of any subsequent issue of debentures may be issued as serial debentures having annual serial maturities prior to September 1, 1981.

The Trust Indenture will contain definitions of the expressions "consolidated net current assets", "subsidiary company", "subsidiary", "consolidated net tangible assets," "consolidated net earnings", "funded obligations" and "purchase money obligations". Such definitions are set forth in full in the statutory information forming part of this prospectus.

The Trust Indenture will provide for an annual sinking fund for the retirement of Debentures of the 6½% Series due 1981, commencing September 1, 1962 of \$80,000 in 1962 and 1963, \$120,000 in 1964 and 1965, \$160,000 in each year from 1966 to 1970 inclusive and \$200,000 in each year from 1971 to 1980 inclusive.

## SUMMARY OF CERTAIN PROVISIONS OF THE PREFERENCE SHARES, 1961 SERIES

Reference is hereby made to paragraph (h) of the statutory information in which the rights, restrictions, conditions, and limitations attached to the Preference Shares are set out in detail.

### 1. Authorization

The Company is authorized to issue 300,000 Preference Shares of the par value of \$20 each in one or more series. The initial series, consisting of 125,000 shares offered by this Prospectus, are designated "Preference Shares, 1961 Series."

### 2. Dividends

The holders of the Preference Shares, 1961 Series, will be entitled to receive, as and when declared by the directors, fixed cumulative preferential cash dividends at the rate of \$1.20 per share per annum, and no more, payable quarterly on the 1st days of March, June, September and December in each year.

### 3. Capital Preference

In the event of liquidation, dissolution or winding-up of the Company or any other distribution of the assets of the Company for the purpose of winding-up its affairs, the holders of the Preference Shares, 1961 Series, will be entitled to receive the then current redemption price of their shares together with all accrued and unpaid preferential dividends before any amount will be paid or any property or assets of the Company distributed to the holders of the Common Shares



or shares of any other class ranking junior to the Preference Shares, 1961 Series; thereafter the holders of the Preference Shares, 1961 Series, will not be entitled to share in any further distribution of the property or assets of the Company.

#### **4. Voting Rights**

The holders of the Preference Shares, 1961 Series, will not be entitled to vote at any meetings of shareholders of the Company unless the Company is in default in payment of an aggregate of 6 quarterly dividends on the Preference Shares, 1961 Series. Thereafter and until all arrears of dividends have been paid, the holders of the Preference Shares, 1961 Series, shall be given notice of and may attend all shareholders' meetings and shall have 1 vote for each Preference Share, 1961 Series, held by them and shall in addition be entitled by their exclusive votes to elect not less than one third of the directors.

#### **5. Redemption Rights**

The Company shall have the right to redeem at any time the whole or from time to time, any lesser number of the then outstanding Preference Shares, 1961 Series, on not less than 30 days' notice on payment for each share to be redeemed of \$21.25 through December 1, 1965; thereafter through December 1, 1969 of \$21.00; thereafter through December 1, 1973 of \$20.75 and thereafter at \$20.50; in each case plus accrued and unpaid dividends.

#### **6. Restrictions on the Company**

The Company shall not allot or issue any Preference Shares unless: (i) consolidated net earnings of the Company and its subsidiaries for the 2 preceding fiscal years are not less than 3 times the annual dividend requirements of all the Preference Shares to be outstanding and (ii) the consolidated net tangible assets of the Company and its subsidiaries shall be equal to or greater than 2 times the aggregate of the par value of all the Preference Shares to be outstanding.

#### **7. Stock Purchase Fund**

The Company shall, so long as any of the Preference Shares, 1961 Series, are outstanding, on or before the 1st day of September each year commencing with the year 1965 set aside on its books as a Stock Purchase Fund for the purchase of Preference Shares at the lowest price at which such shares are obtainable but not exceeding \$20.00 per share plus costs of purchase, the lesser of 2% of the aggregate value of the greatest number of Preference Shares, 1961 Series, theretofore issued, or 10% of the consolidated net earnings of the Company and its subsidiaries for the last preceding fiscal year after deducting all preference dividends; provided that if the amount set aside in any year when added to amounts previously set aside and not used or applied for the purpose provided would aggregate in excess of \$100,000, then the Company in such year shall only be required to set aside an amount which when added to the amount theretofore set aside and not used or applied will equal \$100,000.

#### **8. Dividend Restrictions**

So long as any of the Preference Shares, 1961 Series, are outstanding the Company shall not

- (1) pay any dividends (other than in shares of the Company's capital stock) on any of its shares ranking junior to the Preference Shares, 1961 Series, or
- (2) redeem, reduce, acquire or pay off any such shares (except out of the proceeds of an issue of shares ranking junior to the Preference Shares, 1961 Series) or
- (3) elect to pay any tax on undistributed income,

if after giving effect thereto the consolidated net current assets would be reduced below \$4,000,000 or the consolidated net tangible assets would be reduced below twice the par value of all the Preference Shares then outstanding.

The payment of dividends on and the redemption and purchase of Preference Shares, 1961 Series, are also subject to the restrictions contained in the Trust Indenture relating to the Debentures of the 6½% Series due 1981. Such restrictions are referred to in paragraph (i) of the statutory information.

## EARNINGS

The following report with respect to the combined earnings of Atlas Lumber Company Limited and Revelstoke Sawmill Company Limited and their subsidiary companies for the ten years ended April 30, 1961 has been received from the Companies' Auditors:

### Statement of Combined Earnings

Year Ended April 30,	Profits before Depreciation, Depletion and Income Taxes	Depreciation and Depletion	Profit before Income Taxes	Provision for Income Taxes	Minority Interest	Net Profits
1952	\$1,666,770	\$161,473	\$1,505,297	\$717,185	\$38,901	\$749,211
1953	2,047,031	181,430	1,865,601	947,792	36,457	881,352
1954	1,910,716	208,072	1,702,644	828,495	30,145	844,004
1955	2,109,824	229,170	1,880,654	904,396	53,398	922,860
1956	2,058,145	315,602	1,742,543	813,595	48,750	880,198
1957	1,815,367	319,312	1,496,055	697,746	38,760	759,549
1958	1,394,434	338,280	1,056,154	490,548	16,569	549,037
1959	1,883,882	435,338	1,448,544	688,188	31,405	728,951
1960	1,606,847	448,757	1,158,090	571,795	35,955	550,340
1961	1,524,801	378,530	1,146,271	564,932	7,854	573,485

Note 1. The Statement of Combined Earnings includes the operating results in all periods of three subsidiaries, one of which was acquired prior to the commencement of the ten year period, another acquired effective November 1, 1958 and the last acquired effective January 1, 1960.

Note 2. The Statement of Combined Earnings also includes the operating results of another company, which was owned 50% by Atlas Lumber Company Limited and 50% by Revelstoke Sawmill Company Limited, for the fiscal periods April 30, 1952 to April 30, 1955 inclusive. At April 30, 1955 Atlas Lumber Company Limited and Revelstoke Sawmill Company Limited acquired all the assets of the other company and continued its operations in conjunction with their own.

Note 3. The basis of determination of earnings for each of the five years ended April 30, 1956 is not consistent with that of the following five years. In the earlier periods branch operations are reported for a fiscal period other than that ending at April 30. This has no material effect on the total earnings for those periods.

To the Directors,  
Revelstoke Building Materials Limited,  
Calgary, Alberta.

We have examined the Statement of Combined Earnings of Atlas Lumber Company Limited and Revelstoke Sawmill Company Limited and their subsidiaries. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. In the case of subsidiary companies the accounts of which were not examined by us, we were furnished with reports of other auditors.

In our opinion the above statement, when read in conjunction with the notes thereto, presents fairly the combined earnings of the companies for the ten years ended April 30, 1961, in accordance with generally accepted accounting principles, which with the exception of the matter referred to in Note 3, have been applied on a consistent basis.

August 28, 1961  
Calgary, Alberta.

(Sgd.) HENDERSON, WAINES AND ANDERSON  
Chartered Accountants.

Based on the foregoing report:

Average annual profits, after depreciation and depletion, but before income taxes, for the ten years ended April 30, 1961, were.....	\$1,500,185
As against annual interest requirements on all Debentures now to be outstanding of.....	\$ 260,000
Average annual net profits for the ten years ended April 30, 1961, were.....	\$ 743,899
As against annual dividend requirements on all Preference Shares to be outstanding of.....	\$ 150,000



## **BALANCE SHEETS**

# BALANCE SHEETS AS AT APRIL 30, 1961

## ASSETS

	Revelstoke	Atlas	Pro Forma
<b>CURRENT ASSETS:</b>			
Cash on hand and in banks.....	\$ 916,226	\$ 88,720	\$ 408,201
Marketable Securities, plus accrued interest, at cost.....	29,477	39,070	68,547
(Market Value).....	(26,157)	(34,769)	(60,926)
Accounts Receivable less Allowance for Doubtful Accounts.....	980,269	862,875	1,843,144
(Allowance for Doubtful Accounts: Revelstoke \$ 79,686			
Atlas ..... 98,987			
Pro Forma \$178,673)			
Inventory of Merchandise valued at the lower of cost or market.	2,460,502	3,009,152	5,469,654
Prepaid Expenses.....	48,369	27,276	75,645
Total Current Assets.....	4,434,843	4,027,093	7,865,191
Timber Berth Deposits.....	145,512	361,142	506,654
Investment in Affiliated Company (Companies), at cost.....	1,650	263,025	—
Other Investments, at cost less amounts written off.....	17,525	13,400	30,925
<b>FIXED ASSETS:</b>			
Property, Plant and Equipment, at cost (Note 4).....	3,113,973	2,609,735	2,414,792
Less Accumulated Depreciation.....	1,674,152	1,582,625	—
	1,439,821	1,027,110	2,414,792
Timber Rights and Leases, at cost.....	139,574	—	83,178
Less Accumulated Depletion.....	56,396	—	—
	83,178	—	—
Excess of cost of the subsidiaries' shares over the equity in the net assets of the subsidiaries at dates of acquisition.....	62,526	185,410	—
<b>DEFERRED CHARGES:</b>			
Unamortized discount on Debentures, commission on Preference Shares and financing expenses.....	—	—	302,500
	<u>\$6,185,055</u>	<u>\$5,877,180</u>	<u>\$11,203,240</u>



# BALANCE SHEETS AS AT APRIL 30, 1961

## LIABILITIES

	Revelstoke	Atlas	Pro Forma
<b>CURRENT LIABILITIES:</b>			
Accounts Payable and Accrued Expenses.....	\$ 622,539	\$ 722,740	\$1,345,279
Income Taxes payable—estimated.....	150,888	100,275	251,163
Total Current Liabilities.....	773,427	823,015	1,596,442
<b>MINORITY INTEREST:</b>			
Minority Shareholders' Equity in the Capital Stock and Surplus of Subsidiaries.....	336,243	—	322,793
<b>FUNDED DEBT:</b>			
20-Year Sinking Fund Debentures, 6½% Series due Sept. 1, 1981.....	—	—	4,000,000
<b>CAPITAL STOCK AND SURPLUS:</b>			
Capital Stock:			
Authorized, Issued and Fully Paid—			
500,000 Shares of \$1 each.....	500,000	500,000	—
Earned Surplus.....	4,575,385	4,554,165	—
In pro forma:			
Preference shares—with a par value of \$20 each issuable in series—			
Authorized: 300,000 shares—\$6,000,000			
Issued: 125,000 Cum. Red. shares, 6% 1961 Series.	—	—	2,500,000
Common Shares—without nominal or par value—			
Authorized: 1,000,000 shares			
Issued: 600,005 shares.....	—	—	2,784,005
	<u>\$6,185,055</u>	<u>\$5,877,180</u>	<u>\$11,203,240</u>

The notes appended hereto form an integral part of these financial statements and should be read in conjunction therewith.

Approved on behalf of each Board:

(Sgd.) B. F. SINE, Director.

(Sgd.) J. P. GLAUM, Director.

## AUDITORS' REPORT

To the Directors of

Revelstoke Building Materials Limited.

We have examined the accompanying Consolidated Balance Sheets as at April 30, 1961, of Revelstoke Sawmill Company Limited and subsidiaries and of Atlas Lumber Company Limited and its wholly owned subsidiary. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances. In the case of subsidiary companies the accounts of which were not examined by us, we were furnished with reports of other auditors. In our opinion the accompanying Consolidated Balance Sheets, supplemented by the notes thereto, present fairly the financial position of Revelstoke Sawmill Company Limited and its subsidiaries and of Atlas Lumber Company Limited and its wholly owned subsidiary at April 30, 1961, in accordance with generally accepted accounting principles.

We further report that in our opinion the accompanying *pro forma* Consolidated Balance Sheet of Revelstoke Building Materials Limited and its subsidiary companies presents fairly the financial position as at April 30, 1961 of that company and its subsidiary companies after giving effect to the changes set forth in Note 3 to the Balance Sheets according to the best of our information and the explanations given to us.

August 28, 1961  
Calgary, Alberta.

(Sgd.) HENDERSON, WAINES AND ANDERSON  
Chartered Accountants.

## Notes to Balance Sheets

1. Consolidated Balance Sheet as at April 30, 1961 of Revelstoke Sawmill Company Limited and subsidiaries, Revelstoke Sawmill Company (Sundre) Limited and Kamloops Lumber Company Limited shown above in the column headed "Revelstoke".
2. Consolidated Balance Sheet as at April 30, 1961 of Atlas Lumber Company Limited and its wholly owned subsidiary Knight Lumber Company Limited shown above in the column headed "Atlas".
3. Pro forma Consolidated Balance Sheet as at April 30, 1961 of Revelstoke Building Materials Limited and its subsidiary companies shown below in the column headed "Pro Forma" after giving effect as at that date to:
  - (a) Certificates of the Registrar of Companies of Alberta, dated August 15 and 17, 1961, by which Clearwater Lumber Company Limited changed its name to Revelstoke Building Materials Limited and reorganized its share capital by cancelling 9,995 unissued shares of the par value of \$1 each, converting 5 issued and fully paid shares of the par value of \$1 each into stock and then reconverting into 5 Common Shares without nominal or par value and increasing its authorized share capital by the creation of 999,995 Common Shares without nominal or par value and \$6,000,000 divided into 300,000 Preference Shares of \$20 each and a Special Resolution of Shareholders, dated August 16, 1961, by which 125,000 of such Preference Shares were designated Preference Shares, 1961 Series.
  - (b) The creation, issue and sale of \$4,000,000 principal amount of 20-Year Sinking Fund Debentures, 6½% Series due 1981 for \$3,840,000 payable in cash.
  - (c) The issue and sale of 125,000 Preference Shares, 1961 Series, of \$20 each at par, payable in cash, and the payment of a commission for subscribing therefor of \$112,500.
  - (d) The issue and sale of 600,000 Common Shares without nominal or par value for an aggregate consideration of \$2,784,000 payable in cash.
  - (e) The application of the proceeds of the sale of the above mentioned debentures and shares, together with the further sum of \$596,750 from cash resources, in the purchase of the assets and business at the said date of Revelstoke Sawmill Company Limited for \$4,996,250 payable in cash and in the purchase of the assets and business at the said date of Atlas Lumber Company Limited for \$4,582,000 payable in cash, the allocation of such purchase prices to the various classes of assets in accordance with the agreements made with such companies on August 21, 1961 and estimated expenses of \$30,000 of or incidental to the reorganization of share capital and the creation, issue and sale of the above mentioned debentures and shares.
4. Property, plant and equipment will be sold to Revelstoke Building Materials Limited for \$52,139.00 less than the book value thereof in the accounts of Revelstoke Sawmill Company Limited and Atlas Lumber Company, Limited.
5. Revelstoke Building Materials Limited, formerly Clearwater Lumber Company Limited, was inactive for the period from the date of its incorporation on February 1, 1928 to April 30, 1961. As at April 30, 1961 the assets of the Company consisted of \$5 cash received on the issue of shares.



## STATUTORY INFORMATION

(a) The full name of the Company is Revelstoke Building Materials Limited (hereinafter called "the Company") and the address of the head office is 508 - 24th Avenue South West, Calgary, Alberta.

(b) The Company was incorporated under The Companies Act of the Province of Alberta by Certificate of Incorporation dated February 1, 1928 under the name Peace River Lumber Company, Limited. By Certificates of the Registrar of Companies dated December 28, 1937, January 4, 1938, August 15 and 17, 1961, its name was changed to Clearwater Lumber Company Limited and then to the present name and its authorized share capital consisting of 10,000 Shares of the par value of \$1 each was reorganized by cancelling 9,995 unissued shares of the par value of \$1 each and converting 5 issued and fully paid shares of the par value of \$1 each into stock and then reconverting into 5 Common Shares without nominal or par value and increasing its authorized share capital by the creation of 999,995 Common Shares without nominal or par value and \$6,000,000 divided into 300,000 Preference Shares of \$20.00 each, and by Special Resolution of Shareholders, dated August 16, 1961, 125,000 of such Preference Shares were designated Preference Shares, 1961 Series, so that it now consists of the shares referred to in paragraph (g).

(c) The general nature of the business to be transacted by the Company is that of a dealer in lumber and building supplies.

(d) The names in full, present occupations and home addresses in full of the directors and officers of the Company are as follows:

### Directors

BRETT FRANKLIN SINE.....	Executive.....	1302 Council Way, Calgary, Alta.
CHARLES EDWARD SINE.....	Executive.....	909 Ridge Road, Calgary, Alta.
JACOB PHILLIP GLAUM.....	Executive.....	2212 Richmond Road, Calgary, Alta.
SAMUEL HOLLER ROGERS.....	Banker.....	2317 Newton Avenue South, Minneapolis, Minn.
JAMES CAVEN MAHAFFY.....	Executive.....	R.R. No. 3, Calgary, Alta.
JOHN HOWARD KELLY.....	Executive.....	1007 Hillcrest Avenue, Calgary, Alta.
FRANK LAWSON GLASGOW.....	Executive.....	4855 Cote St. Luc Road, Montreal, Que.

### Officers

BRETT FRANKLIN SINE.....	President & General Manager.....	1302 Council Way, Calgary, Alta.
CHARLES EDWARD SINE.....	Vice-President.....	909 Ridge Road, Calgary, Alta.
JACOB PHILLIP GLAUM.....	Vice-President.....	2212 Richmond Road, Calgary, Alta.
JOHN BRYDON HALL.....	Vice-President.....	2552 Toronto Crescent, Calgary, Alta.
JAY ALEXANDER MARSHALL.....	Vice-President.....	3829 - 6th St. S.W., Calgary, Alta.
KEITH ARTHUR CLIVE McDOWELL.....	Secretary-Treasurer.....	1702 Broadview Road, Calgary, Alta.

(e) The name and address of the auditors of the Company is Henderson, Wainess & Anderson, 504 Lancaster Building, Calgary, Alberta.

(f) Montreal Trust Company, at its offices in the Cities of Calgary, Toronto, Montreal and Vancouver, is the Registrar and Transfer Agent for the Common Shares of the Company. The Toronto General Trusts Corporation, at its offices in the cities of Calgary, Toronto, Montreal and Vancouver is the Registrar and Transfer Agent for the Preference Shares, 1961 Series, and is the Trustee for the 20-Year Sinking Fund Debentures, 6½% Series due 1981, on whose books transfers may be recorded.

(g) The authorized share capital of the Company consists of:

(i) \$6,000,000 divided into 300,000 Preference Shares of the par value of \$20 each, none of which have been issued and of which 125,000 shares were by Special Resolution of Shareholders passed August 16, 1961 designated as "Preference Shares, 1961 Series".

(ii) 1,000,000 Common Shares without nominal or par value, 600,005 of which have been issued and are now outstanding as fully paid.

(h) The description of the respective voting rights, preferences, rights to dividends, profits, or capital of each class of shares of the capital stock of the Company, including redemption rights and rights on liquidation or distribution of capital assets is as follows:

## Preference Shares

The Preference Shares shall as a class carry and be subject to the following rights, restrictions, conditions and limitations:

(a) the Preference Shares may be issued from time to time in one or more series, each series to consist of such number of shares and to have such designation, rights, restrictions, conditions and limitations including, without limiting the generality of the foregoing, the rate of preferential dividends (not exceeding 10%) the dates of payment thereof, the redemption price (not exceeding 110% of the par value) and the times for and terms and conditions of redemption, voting rights, conversion rights (if any), security purchase rights (if any) and any sinking fund or other provisions attaching to the Preference Shares of such series, as may be set forth in the special resolution authorizing such series;

(b) when any fixed cumulative dividends or amounts payable on a return of capital are not paid in full, the Preference Shares of all series shall participate ratably in respect of such dividends including accumulations, if any, in accordance with the sums that would be payable on the said Preference Shares if all such dividends were declared and paid in full, and on any return of capital in accordance with the sums which would be payable on such return of capital if all sums so payable were paid in full;

(c) the Preference Shares shall be preferred as to capital and dividends over the Common Shares of the Company and may also be given such other preferences over the Common Shares of the Company as may be determined as to the respective series authorized to be issued;

(d) the Preference Shares of each series shall rank on a parity with the Preference Shares of every other series with respect to priority in payment of dividends and in the distribution of assets in the event of liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary;

(e) unless the rights, restrictions, conditions and limitations attaching to a series of Preference Shares expressly provide therefor, the holders of the Preference Shares shall not, as such, be entitled as of right to subscribe for or purchase or receive any part of any issue of shares or of bonds, debentures or other securities of the Company now or hereafter authorized;

(f) no class of shares may be created ranking as to capital or dividends prior to or on a parity with the Preference Shares without the approval of holders of the Preference Shares given as hereinafter specified;

(g) the rights attached to the Preference Shares as a class may be varied by special resolution confirmed by order of the court, with the consent in writing of the holders of three-fourths of the Preference Shares for the time being outstanding or with the sanction of an extraordinary resolution passed by the holders of a majority of not less than three-fourths of the Preference Shares present in person or represented by proxy at a separate general meeting of the holders thereof of which notice specifying the intention to propose the resolution as an extraordinary resolution has been duly given, provided that if any such resolution specially affects any series of the Preferred Shares it must also receive the consent in writing of the holders of three-fourths of the shares of that series or be sanctioned by an extraordinary resolution passed by the holders of a majority of not less than three-fourths of the shares of that series present in person or represented by proxy at the meeting;

(h) to every such separate general meeting the provisions of the Articles of Association, for the time being in force, relating to general meetings shall apply *mutatis mutandis*, but so that the necessary quorum is two persons at least, holding or representing by proxy one-third of the Preference Shares for the time being outstanding and any holder of Preference Shares present in person or by proxy may demand a poll.

## Preference Shares, 1961 Series,

The Preference Shares, 1961 Series, in addition to the rights, restrictions, conditions and limitations attaching to all Preference Shares as a class shall carry and be subject to the following rights, restrictions, conditions, and limitations:

(1) Holders of Preference Shares, 1961 Series, shall be entitled to receive, as and when declared by the board of directors, out of moneys of the Company properly applicable to the payment of dividends, fixed cumulative preferential cash dividends thereon at the rate of one dollar and twenty cents (\$1.20) per annum on each share and no more in lawful money of Canada payable quarterly on the first days of March, June, September and December in each year, by cheques



or warrants of the Company payable at par at any branch in Canada of the Company's bankers for the time being. Such dividends shall accrue from such date or dates as may, in the case of each issue, be determined by the board of directors of the Company or, in case no date be so determined, then from the date of allotment; provided that in respect of the first one hundred and twenty-five thousand (125,000) Preference Shares, 1961 Series, which shall be issued, such dividends shall accrue at the rate aforesaid from the 27th day of September, 1961, and the first quarterly instalment shall be payable on the 1st day of December, 1961. If on any dividend payment date the Company shall not have paid the said dividends in full on all Preference Shares, 1961 Series, then outstanding, such dividends or the unpaid part thereof shall be paid on a subsequent date or dates in priority to dividends on any other shares in the capital of the Company ranking junior to the Preference Shares, 1961 Series, and no dividends shall be declared or declared and paid on, or set apart for any such other shares unless all accrued cumulative dividends on the Preference Shares, 1961 Series, then outstanding shall have been declared and paid or provided for at the date of such declaration or payment or setting apart. The holders of Preference Shares, 1961 Series, shall not be entitled to any dividends other than or in excess of the cash dividends hereinbefore provided for.

(2) In the event of the liquidation, dissolution or winding-up of the Company or other distribution of the assets of the Company among its shareholders (other than by way of dividends paid while the Company is a going concern out of moneys of the Company properly applicable to the payment of dividends), the holders of Preference Shares, 1961 Series, shall be entitled to receive the then current redemption price of their shares together with an amount equal to all accrued and unpaid dividends thereon (which, for such purposes, shall be treated as accruing from day to day up to the date of distribution), whether or not earned or declared, before any amount shall be paid to or any property or assets of the Company distributed among the holders of any other shares of the Company ranking junior to the Preference Shares, 1961 Series, but shall not be entitled to any further participation in the distribution of the assets of the Company.

(3) The holders of Preference Shares, 1961 Series, shall not be entitled (except as hereinafter specifically provided) to receive notice of or to attend any meeting of the shareholders of the Company, and shall not be entitled to any vote at any such meeting unless and until the Company from time to time shall fail to pay in the aggregate six (6) quarterly dividends on the Preference Shares, 1961 Series, on the date on which the same should be paid, whether or not consecutive and whether or not such dividends have been declared and whether or not there are any moneys of the Company properly applicable to the payment of dividends. Thereafter, the holders of Preference Shares, 1961 Series, shall, until all arrears of dividends on the Preference Shares, 1961 Series, have been paid, be entitled to be given notice of and to attend all shareholders' meetings and shall have one (1) vote thereat for each Preference Share, 1961 Series, then held by them respectively and shall in addition be entitled by their exclusive votes to elect not less than one-third of the number of directors. Provided, however, that, upon payment of all arrears of dividends upon the Preference Shares, 1961 Series, the voting rights of the holders of the Preference Shares, 1961 Series, shall cease, and the term of any director elected by the holders of Preference Shares, 1961 Series, as a class, shall terminate and the vacancies so created may be filled by a majority of the remaining directors, and the voting rights of holders of Preference Shares, 1961 Series, shall from time to time thereafter revive and cease in like circumstances.

(4) Subject to the provisions of paragraph (7) hereinafter appearing, the Company shall have the right to purchase at any time the whole or from time to time any lesser number of the then outstanding Preference Shares, 1961 Series, in the market (including purchase through or from an investment dealer or a firm holding membership on a recognized stock exchange) or by invitation for tenders addressed to all holders of record of Preference Shares, 1961 Series, outstanding at the lowest price at which, in the opinion of the board of directors, such shares are obtainable but not exceeding the then current redemption price plus costs of purchase. If, in response to an invitation for tenders, the Company shall receive two (2) or more tenders of Preference Shares, 1961 Series, at the same price and if such tenders are accepted by the Company in whole or in part, then, unless the Company accepts all such tenders in whole, the Company shall accept such tenders in proportion as nearly as may be to the number of shares offered in each such tender, disregarding fractions. From and after the date of purchase of any Preference Shares, 1961 Series, under the provisions of this paragraph, the shares so purchased shall be deemed to be redeemed and shall be cancelled and shall not be reissued.

(5) Subject to the provisions of paragraph (7) hereinafter appearing and upon compliance with the provisions of paragraph (6) hereof, the Company shall have the right to redeem at any time the whole or from time to time any lesser number of the then outstanding Preference Shares,

1961 Series, on payment in lawful money of Canada of \$21.25 for each such share so redeemed on or before December 1, 1965, of \$21.00 for each share so redeemed thereafter and on or before December 1, 1969, of \$20.75 for each such share so redeemed thereafter and on or before December 1, 1973 and of \$20.50 for each such share so redeemed thereafter, together with an amount equal to all accrued and unpaid dividends thereon (which, for such purpose, shall be treated as accruing from day to day up to the date of redemption), whether or not earned or declared, the whole constituting the redemption price. In case less than all the Preference Shares, 1961 Series, outstanding are at any time to be redeemed, the shares to be redeemed shall be selected by lot in such equitable manner as may from time to time be determined by the board of directors of the Company.

(6) Whenever any Preference Shares, 1961 Series, are to be redeemed, notice of redemption shall be given by the Company by a letter or circular mailed by prepaid ordinary post in an envelope addressed to each person who, at the date of such mailing, is the registered holder of Preference Shares, 1961 Series, to be redeemed, at his last address appearing upon the register (or, in the event of no address appearing, then to his last known address) not less than thirty (30) clear days prior to the redemption date; provided that accidental failure to give any such notice to one (1) or more of such holders shall not affect the validity of the redemption as to the other holders but, upon such failure being discovered, notice shall be given forthwith and shall have the same force and effect as if given in due time. Every such notice shall specify the redemption date, the redemption price and, unless all Preference Shares, 1961 Series, held by the person to whom it is addressed are to be redeemed, the number so to be redeemed; and shall state that the redemption price will be paid to the respective registered holders of the shares so called for redemption on presentation and surrender of the certificates representing such shares at the place or at one of the places of payment named in the notice and that dividends shall cease to accrue upon the said shares from and after the redemption date. On and after the redemption date, the Company shall pay or cause to be paid to or to the order of the holders of Preference Shares, 1961 Series, called for redemption, the redemption price on presentation and surrender of the respective certificates representing such shares at the place or at one of the places named in the notice; provided that, if notice of any such redemption be given as aforesaid and an amount equal to the redemption price of all Preference Shares, 1961 Series, called for redemption be deposited on or before the redemption date with such of the Company's bankers or transfer agents as may be specified in the notice, the Preference Shares, 1961 Series, called for redemption shall be deemed to be redeemed and cancelled on the redemption date specified in the notice and shall not be reissued, and the rights of each holder thereof shall be limited to receiving without interest his proportionate part of the total redemption price so deposited upon presentation and surrender of the certificate or certificates held by him. If less than all the Preference Shares, 1961 Series, represented by any certificate be redeemed, a new certificate for the balance shall be issued.

(7) So long as any of the Preference Shares, 1961 Series, are outstanding, unless all the Preference Shares then outstanding are being redeemed or purchased, the Company shall not call for redemption or purchase or otherwise acquire for value any Preference Shares or any other shares of the Company ranking on a parity therewith or junior thereto, unless all accrued dividends on the Preference Shares then outstanding for all previous dividend periods shall have been declared and paid or provided for at the date of such call for redemption or purchase or other acquisition.

(8) So long as any of the Preference Shares, 1961 Series, are outstanding, the Company shall not create, allot or issue any Preference Shares unless the proceeds are to be used to redeem all Preference Shares, 1961 Series, then outstanding, or unless, according to a report of the Company's auditors,

(i) the consolidated net earnings of the Company and its subsidiaries for the two (2) preceding fiscal years are not less than three (3) times the amount required to pay the annual dividends payable on all Preference Shares to be outstanding after such proposed issue; and

(ii) the consolidated net tangible assets of the Company and its subsidiaries shall be equal to or greater than two (2) times the aggregate of the par value of all the Preference Shares to be outstanding after such proposed issue;

(9) Subject as hereinafter provided, so long as any of the Preference Shares, 1961 Series, are outstanding, the Company shall, on or before the 1st day of September in each year, commencing with the year 1965, set aside on its books as a stock purchase fund for the purchase of Preference Shares, 1961 Series, for cancellation an amount equal to the lesser of



(i) two per cent (2%) of the aggregate value of the greatest number of Preference Shares, 1961 Series theretofore issued, or

(ii) ten per cent (10%) of the consolidated net earnings of the Company and its subsidiaries for the last preceding fiscal year after deducting an amount equal to dividends on the number of Preference Shares of all series outstanding at the commencement of the fiscal year in which such stock purchase fund is to be set aside at the full annual rate specified in the conditions attaching to the Preference Shares of each series for such last mentioned fiscal year; provided that if in any fiscal year of the Company there shall be no consolidated net earnings of the Company and its subsidiaries after deductions in respect of dividends as aforesaid, then no amount shall be required to be set aside by the Company for stock purchase fund purposes in the following year;

and provided further that if under the foregoing provisions the Company would be required to set aside in any year for stock purchase fund purposes an amount which when added to the amounts theretofore set aside as a stock purchase fund in respect of the Preference Shares, 1961 Series, and not used or applied for the purposes hereinafter provided would aggregate an amount in excess of \$100,000, then the Company in such year shall only be required to set aside for stock purchase fund purposes an amount which when added to the said amounts theretofore set aside and not used or applied as aforesaid will equal \$100,000. For the purposes of this paragraph (9) and subject to the foregoing provisions hereof, consolidated net earnings shall be determined by the auditors of the Company whose determination shall be conclusive and binding on the Company and the holders of shares of every class.

The amounts from time to time set aside as a stock purchase fund in respect of the Preference Shares, 1961 Series, shall be applied as soon as practicable to the purchase of Preference Shares, 1961 Series (if obtainable) in the market at the lowest price or prices at which in the opinion of the board of directors such shares are obtainable, but not exceeding \$20.00 per share and costs of purchase; to the extent to which Preference Shares, 1961 Series, cannot be so purchased at prices not exceeding the said price, the Company shall not be obligated to make any application of the stock purchase fund in the purchase or redemption of Preference Shares, 1961 Series, but shall reserve the same until such shares in the opinion of the board of directors can be so purchased and so on from time to time so long as any of the Preference Shares, 1961 Series, shall be outstanding. Any amounts set aside in the stock purchase fund in accordance with the foregoing provisions, pending the application thereof as herein provided, may be used in the business of the Company and need not be kept separate from other moneys of the Company. Any Preference Shares, 1961 Series, purchased under the provisions of this paragraph shall be deemed to be redeemed and shall be cancelled. The Company may at any time anticipate the whole or any part of its stock purchase fund obligations by purchasing or redeeming Preference Shares, 1961 Series, as provided in paragraphs (4) and (5) hereof and crediting the cost of or amount required to purchase or redeem such Preference Shares, 1961 Series, in reduction of any stock purchase fund obligations thereafter becoming due. No Preference Shares of other series shall be issued to which there are attached provisions requiring proportionately greater stock purchase fund, sinking fund or other obligatory retirements than those attaching to the 1961 Series.

(10) So long as any of the Preference Shares, 1961 Series, are outstanding, the Company shall not

(i) declare or declare and pay any dividends (other than in shares of the Company's capital stock) on any of its shares at any time outstanding and ranking junior to the Preference Shares, 1961 Series; or

(ii) redeem, reduce, acquire or otherwise pay off any of its shares at any time outstanding and ranking junior to the Preference Shares, 1961 Series (except out of the proceeds of an issue of shares ranking junior to the Preference Shares, 1961 Series, made at any time after the 1st day of December, 1961, and prior to or contemporaneously with any such redemption, reduction, acquisition or payment); or

(iii) elect to pay any tax on undistributed income under the provisions of Section 105 of The Income Tax Act (R.S.C. 1952, Cap. 148) as now enacted or as the same may from time to time be amended or re-enacted or elect to pay any tax under any similar provisions

if after giving effect thereto the consolidated net current assets would be or be reduced below \$4,000,000 or consolidated net tangible assets would be or be reduced below twice the par value of all the Preference Shares then outstanding.

(11) For all purposes of these provisions:

"subsidiary" or "subsidiary company" means and includes (except as hereinafter provided) any company the majority of the voting shares of which is at the time held, owned or controlled, directly or indirectly by or for the Company, provided that the ownership or control of such voting shares confers the right to elect at least the majority of the board of directors of such company; and any other company in like relation to a subsidiary.

"consolidated net tangible assets" means current assets and all other assets of the Company and its subsidiary companies (including the proceeds or estimated proceeds of any funded indebtedness proposed to be issued or the issuance of any shares under a contract or arrangement providing for completion of such transaction within sixty (60) days after the date of such contract or arrangement) except goodwill, leases, trademarks, formulae less all liabilities of the Company and its subsidiary companies other than contingent liabilities (except to the extent that the board of directors with the approval of the auditors of the Company determine that provision be made therefor) and liabilities to capital stock, surplus and reserve to the extent not required to be treated as liabilities in accordance with generally accepted accounting practice.

"consolidated net earnings" means all of the gross profits and income of the Company and its subsidiary companies from all sources less all administrative, selling and operating charges and expenses of every character and all fixed charges of the Company and its subsidiary companies (but excluding gains or losses on the disposal of investments and fixed assets) arrived at on a consolidated basis in accordance with generally accepted accounting practice. Without limitation of the generality of the foregoing, operating expenses shall include insurance, maintenance, repairs, renewals (except such expenditures for renewals as are charged to capital account in accordance with generally accepted accounting practice), rentals, licences, taxes (including taxes on income) and all interest, and such reserves for bad and doubtful debts as the board of directors in their discretion, with the approval of the Company's auditors, may determine and, in addition to actual expenditures for maintenance, a reasonable allowance for depreciation.

"consolidated net current assets" means the excess of consolidated current assets of the Company and all its subsidiaries over consolidated current liabilities of the Company and all its subsidiaries both computed in accordance with generally accepted accounting practice.

## Common Shares

The Common Shares carry the right to one vote per share.

(i) No Bonds or Debentures of the Company are now outstanding but the Company proposes to issue \$4,000,000 principal amount of 20-Year Sinking Fund Debentures, 6½% Series due 1981. These Debentures will be direct obligations of the Company and will be issued under a Trust Indenture to be dated as of September 1, 1961 in favour of The Toronto General Trusts Corporation, as Trustee, in which the Company will covenant, among other things, that so long as any Debentures issued thereunder remain outstanding, it will not:

- A. mortgage, hypothecate, charge or pledge any of its assets to secure any obligations, including moneys, debts, liabilities, bonds, debentures, or notes, without also at the same time securing all the Debentures issued under the Trust Indenture then outstanding by such mortgage, hypothec, charge or pledge or by other instrument so that the Debentures shall be secured equally and ratably with such obligations; provided that this covenant shall not apply to any purchase money obligations or to any security given or proposed to be given by the Company or any Subsidiary Company in the ordinary course of its business to any bank or banks to secure any loan maturing within twelve months of the date when such loan is obtained;
- B. declare or pay any dividends (other than dividends payable in capital stock of the Company) on any of its capital stock or purchase or pay off any of its capital stock (except from the net proceeds of the sale of the shares of the capital stock of the Company) or elect to pay any tax on undistributed income under the provisions of Section 105 of the Income Tax Act of Canada (R.S.C. 1952, C. 148) as now enacted or as from time to time amended or re-enacted or under any corresponding provision of any Provincial Income Tax Act when it is in arrears in payment of any principal moneys at maturity or in payment of any interest or any premium or any sinking fund obligation under the Trust Indenture, or when its consolidated net current assets are, or, would thereby be, reduced below the sum of \$4,000,000, or when the aggregate of capital and consolidated surplus (to be defined in the Trust Indenture) is, or would thereby be, reduced below \$5,000,000.



- C. permit any subsidiary to issue, incur, assume, maintain or guarantee any funded obligations, except to or of the Company or to a trustee in support of a guarantee of indebtedness of the Company;
- D. dispose of any funded obligations of a subsidiary;
- E. issue or become liable upon any funded obligations additional to those outstanding on October 1, 1961 (except for refunding purposes) unless:
  - (i) its consolidated net tangible assets are at least two and one-half times the sum of the principal amount of funded obligations outstanding and those proposed to be issued; and
  - (ii) average annual consolidated net earnings of the Company for the two fiscal years preceding such proposed issue were at least equal to four times the annual interest requirements in respect to all funded obligations of the Company outstanding and those proposed to be issued, excluding, however, funded obligations to be retired out of the proceeds of the proposed issue.
- F. create or issue or become liable upon any additional funded obligations which in any year prior to September 1, 1981, shall mature in amounts and/or be entitled to sinking fund payments which in the aggregate for each year exceed the sinking fund payments for the Debentures unless the sinking fund payments for the Debentures are correspondingly increased except that up to 30% of any subsequent issue of debentures may be issued as serial debentures having annual serial maturities prior to September 1, 1981.

The Trust Indenture will contain definitions of the expressions "consolidated net current assets", "subsidiary company", "subsidiary", "consolidated net tangible assets" and "consolidated net earnings" in the same terms as those contained in the provisions attaching to the Preference Shares, 1961 Series, appearing in paragraph (h) of this Statutory Information commencing on page 11 hereof, except that the definition of "consolidated net tangible assets" will provide that the same shall be computed before the deduction of funded obligations and the definition of "consolidated net earnings" will provide that the same shall be computed before interest and taxes on income.

The expression "funded obligations" will be defined in the Trust Indenture as meaning any indebtedness, whether secured or unsecured, of or guaranteed by the Company or any subsidiary, which is not payable on demand and the due date of payment of which, including any right of extension or renewal, is twelve months or more after the date on which it is issued or incurred, but does not include purchase money obligations and the expression "purchase money obligations" so defined as meaning any mortgage, charge, vendor's privilege, vendor's lien, or other encumbrance upon real property, hereafter acquired, given or assumed or arising by operation of law, to provide or secure not in excess of the cost or fair value, whichever is less, of such property at the time of its acquisition by the Company or any subsidiary and includes renewals, refundings and extensions not in excess of the principal amount thereof immediately prior to such renewal, refunding or extension.

The Trust Indenture will provide for an annual sinking fund for the retirement of Debentures of the 6½% Series due 1981, commencing September 1, 1962 of \$80,000 in 1962 and 1963, \$120,000 in 1964 and 1965, \$160,000 in each year from 1966 to 1970 inclusive and \$200,000 in each year from 1971 to 1980 inclusive. The Company will have the right to satisfy any sinking fund payment in whole or in part by delivery of Debentures of such series which will be taken at the principal amount thereof. Cash payments are to be employed by the Trustee in the purchase of such Debentures for cancellation and failing such purchase if the amount in the sinking fund exceeds \$100,000 in drawings for redemption of Debentures of such series at the principal amount thereof.

(j) No substantial indebtedness (other than indebtedness which may be incurred in the ordinary course of business and the amount of which cannot be estimated at the date hereof) is to be created or assumed which is not shown or referred to in the pro forma consolidated balance sheet of the Company and its subsidiaries as at the 30th day of April, 1961, attached to and forming part of this prospectus.

(k) There are no securities of the Company covered by options outstanding or proposed to be given by the Company. The Company's Articles of Association provide that the Board of Directors may at any time and from time to time grant options to directors, officers or employees to purchase Common Shares but the aggregate number of Common Shares issued pursuant to, or which may be issued on the exercise of such options, shall not exceed 5% of the total number of Common Shares at any time outstanding.

(l) The number of securities offered by this prospectus, their correct descriptive title, issue price to the public and the terms thereof are as stated on pages A, B and C of this prospectus to which reference is hereby expressly made.

Within the two preceding years 144,000 Common Shares of the Company without nominal or par value have been issued under subscription agreements dated August 24, 1961 at the price of \$4.64 per share all of which shares are outstanding and fully paid and for which the Company received in cash the total amount of \$668,160. The aforementioned shares have been issued to B. F. Sine for a price of \$268,159.52, C. E. Sine for a price of \$220,000.96, J. P. Glaum for a price of \$50,000.64 and M. P. Hess for a price of \$129,998.88.

(m) The estimated net proceeds to be derived by the Company from the securities offered by this prospectus on the basis of the same being fully taken up and paid for, after payment of the commission referred to in paragraph (p) hereof, but before providing for estimated legal, auditing and printing fees and expenses of the issues and the making of the said offer and before providing for fees and expenses in connection with the re-organization of the Company and the acquisition by the Company of its assets, which fees and expenses are estimated in the aggregate at \$30,000, is \$8,343,340.

(n) The estimated proceeds to the Company from the sale of the securities offered by this prospectus will (together with the cash received from the issue of Common Shares referred to in paragraph (l) hereof) be applied as purchase price of the assets of Atlas Lumber Company Limited and Revelstoke Sawmill Company Limited, in the total amount of \$8,981,500, all as set out in the agreements referred to in paragraph (za) hereof. Any additional funds that may be required by the Company for the above-mentioned purposes are expected to be obtained by unsecured bank borrowing.

(o) The minimum amount which, in the opinion of the directors, must be raised by the sale of the securities offered by this prospectus in order to pay the purchase price of the assets referred to in paragraph (n) of this prospectus, any preliminary expenses payable by the Company, any commission payable by the Company in respect of subscriptions for shares of the Company, the repayment of moneys borrowed by the Company in respect of the foregoing matters or the repayment of bank loans is \$8,343,340.

(p) By a contract dated the 18th day of August, 1961, between the Company and Royal Securities Corporation Limited, it was agreed that, subject to certain terms and conditions, Royal Securities Corporation Limited will purchase and the Company will sell:

(i) \$4,000,000 principal amount of 20-Year Sinking Fund Debentures 6½% Series due 1981 for \$3,840,000 plus accrued interest, if any, payable in cash against delivery;

(ii) \$2,500,000 (125,000 shares) Preference Shares, 1961 Series, of the par value of \$20 per share, for \$20 per share payable in cash against delivery. By the said agreement, the Company has agreed to pay Royal Securities Corporation Limited a commission of \$112,500 for subscribing for the 125,000 Preference Shares, 1961 Series.

(iii) 456,000 Common Shares without nominal or par value for \$4.64 per share payable in cash against delivery.

(q) The Articles of Association of the Company provide as follows with respect to the remuneration of directors:

"The Directors shall be paid out of funds of the Company by way of remuneration for their services such sums as the Company may in General Meeting from time to time determine, and such remuneration shall be divided amongst them in such proportions and manner as the Directors may determine, and in default of such determination within a year equally. The Directors shall also be paid their travelling expenses of attending and returning from General Meetings or meetings of the Board or any committee thereof or otherwise in connection with the Company's business.

If any Director shall go or reside abroad on the Company's business or otherwise perform services whether of a temporary or continuing nature for which in the opinion of the Board his ordinary remuneration under the last preceding Article is inadequate, the Board may arrange with such Director for such special remuneration for the said services, by way of salary, commission, payment of a stated sum of money or otherwise as the Board may determine and the said special remuneration shall be in addition to any remuneration to which such Director would be entitled under the last preceding Article."

(r) No remuneration was paid to directors or officers during the last financial year.

The aggregate remuneration estimated to be payable during the current financial year to directors of the Company is \$4,000.



The aggregate remuneration estimated to be payable during the current financial year to officers of the Company, who, as such, may individually be entitled to receive remuneration in excess of \$10,000 per annum is \$85,000.

(s) Other than the commission on the sale of the Preference Shares, 1961 Series, referred to in paragraph (p) hereof no commission has been paid within the two years preceding the date hereof or is now payable by the Company for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any share in or obligations of the Company. Reference is also made to paragraph (p) hereof as to the purchase price in respect of the Debentures and the Common Shares.

(t) The preliminary expenses of the Company including legal, auditing and miscellaneous expenses in connection with the re-organization of the Company, the acquisition of the assets of the Company as referred to in paragraph (u) and (v) hereof and the issue of its shares and securities are estimated at \$30,000 exclusive of the commission on the Preference Shares, 1961 Series, referred to in paragraph (p) hereof.

(u), (v) The property purchased or acquired by the Company, the purchase price of which is to be defrayed out of the proceeds of the issue consists of all the assets, except the shares of each vending company held by the other, purchased from Atlas Lumber Company Limited for the sum of \$4,582,000 and Revelstoke Sawmill Company Limited for the sum of \$4,996,250, both of 508 - 24th Avenue South West, Calgary, Alberta. The only persons owning more than 10% of the issued shares of Atlas Lumber Company Limited are: S. H. Bowman Lumber Company, c/o Northwestern National Bank of Minneapolis, Minneapolis 40, Minnesota; M. P. Hess, 916 Durham Avenue, Calgary, Alberta and Blue Ridge Corporation Limited, 3812 Edison Crescent, Calgary, Alberta. The only persons owning more than 10% of the issued shares of Revelstoke Sawmill Company Limited are: S. H. Bowman Lumber Company and Atlas Lumber Company Limited.

(w) Within the two years preceding the date hereof no securities have been issued or agreed to be issued by the Company as fully or partly paid up otherwise than in cash.

(x) The 20-Year Sinking Fund Debentures 6½% Series due 1981 are unsecured but reference is made to the covenants with respect thereto mentioned in paragraph (i) hereof.

(y) No services within the two years preceding the date hereof have been rendered or are to be rendered to the Company which are to be paid for by the Company wholly or partly out of the proceeds of the securities of the Company. The cost of services rendered and to be rendered to the Company in connection with the issue of its debentures and shares and the acquisition of the properties and assets referred to in paragraph (u) and (v) hereof and the reorganization expenses of the Company may be paid for in part out of the proceeds of the securities offered.

(z) Nothing has been paid during the two years preceding the date hereof or is intended to be paid to any promoter.

(za) The following are the material contracts entered into by the Company within the two years preceding the date hereof otherwise than in the ordinary course of business carried on by the Company:

- (1) Agreements made the 21st day of August, 1961 between the Company and Atlas Lumber Company Limited and Revelstoke Sawmill Company Limited for the purchase of the undertaking, business and assets of each Company, except the shares of each vending Company held by the other.
- (2) Agreement dated the 18th day of August, 1961 with Royal Securities Corporation Limited for the purchase of the debentures and shares to which this prospectus relates.
- (3) Subscription Agreements dated August 24th, 1961 for Common Shares referred to in paragraph (l) hereof.

Copies of the above mentioned agreements and of the Trust Indenture relating to the 20-Year Sinking Fund Debentures, all of which are referred to in this prospectus may be inspected at the head office of the Company at 508 - 24th Avenue South West, Calgary, Alberta, during ordinary business hours during the course of primary distribution to the public of the securities offered hereby.

(zb) The Company has not acquired nor does it propose to acquire any property in which any director was or is interested. Messrs. B. F. Sine, C. E. Sine, S. H. Rogers and J. P. Glaum were directors and shareholders of Atlas Lumber Company Limited and Revelstoke Sawmill Company Limited, owning in the aggregate 5½% of the issued shares in the capital stock of Atlas Lumber Company Limited and .3% of the issued shares in the capital stock of Revelstoke Sawmill Company Limited.

(zc) While the Company was originally incorporated in 1928 it has been inactive since the date of its incorporation and only commenced to carry on the present business as and from the 30th day of April, 1961.

(zd) After distribution to the public of the debentures and shares to which this prospectus relates, no person or group of persons will be in a position or entitled to elect or cause to be elected a majority of the directors of the Company by reason of beneficial ownership of the Company or any agreement in writing.

(ze) No securities of the Company are, to the knowledge of the Company or the underwriters, held in escrow.

(zf) No dividends have been paid by the Company since its incorporation.

(zg) Certificates authorizing the Company to expend moneys received from the sale of securities were issued to the Company by the Alberta Securities Commission on the 23rd day of August, 1961.

The foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 39 of The Securities Act (Ontario), by Section 39 of The Securities Act, 1954 (Saskatchewan), by Section 13 of the Security Frauds Prevention Act (New Brunswick), by Part IX of The Securities Act, 1955 (Alberta), and under the Quebec Securities Act, and there is no further material information applicable other than in the financial statements or reports where required or exigible.

Dated this 28th day of August, 1961.

### DIRECTORS

(Sgd.) B. F. SINE

(Sgd.) C. E. SINE

(Sgd.) SAMUEL HOLLER ROGERS

by his agent

B. F. Sine

(Sgd.) J. P. GLAUM

(Sgd.) JAMES CAVEN MAHAFFY

by his agent

B. F. Sine

(Sgd.) J. HOWARD KELLY

(Sgd.) F. L. GLASGOW

To the best of our knowledge, information and belief the foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 39 of The Securities Act (Ontario), by Section 39 of The Securities Act, 1954 (Saskatchewan), by Section 13 of the Security Frauds Prevention Act (New Brunswick), by Part IX of The Securities Act, 1955 (Alberta), and under the Quebec Securities Act, and there is no further material information applicable other than in the financial statements or reports where required or exigible. In respect of matters which are not within our knowledge we have relied upon the accuracy and adequacy of the foregoing.

### UNDERWRITERS

ROYAL SECURITIES CORPORATION LIMITED

By (Sgd.) Ivan A. Martin

Director.

The following are the names of every person having an interest either directly or indirectly to the extent of not less than five per centum in the capital stock of Royal Securities Corporation Limited: J. R. Hughes, A. S. Gordon, F. L. Glasgow, G. W. W. Ross, Harold Braff, Ivan A. Martin and G. C. Stewart.



# FINANCIAL STATEMENTS

## REVELSTOKE BUILDING MATERIALS LIMITED AND SUBSIDIARY COMPANIES

(Incorporated in the Province of Alberta)

### CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 1961

#### ASSETS

##### CURRENT ASSETS:

Cash .....	\$ 91,257
Short term investments, at cost plus accrued interest (market value \$1,307,970) .....	1,308,242
Accounts receivable, less allowance for doubtful accounts of \$211,728 .....	1,917,946
Inventories, valued at lower of cost or market .....	4,541,597
Prepaid expenses .....	48,499
Total Current Assets .....	7,907,541
Timber berth deposits .....	548,979
Investments in other Companies, at cost less amounts written off .....	41,429

##### FIXED ASSETS, AT COST:

Property, plant and equipment .....	3,444,013
Timber rights and leases .....	136,316
	3,580,329
Less accumulated depreciation and depletion .....	1,057,401
	2,522,928

##### DEFERRED CHARGES: (Note 3)

Unamortized discount on debentures and commission on sale of preference shares .....	244,187
	<u>\$11,265,064</u>

#### LIABILITIES

##### CURRENT LIABILITIES:

Accounts payable and accrued liabilities .....	\$ 1,058,433
Income taxes payable .....	345,255
Total Current Liabilities .....	1,403,688

##### FUNDED DEBT: (Note 4)

20-Year Sinking Fund Debentures	
6½% Series due 1981 .....	3,920,000
Minority Interest in Subsidiary Company .....	340,520

##### CAPITAL AND SURPLUS:

##### Capital Stock: (Note 5)

##### Authorized:

300,000 6% cumulative redeemable preference shares of a par value of \$20.00 each  
1,000,000 common shares of no par value

##### Issued and fully paid:

125,000 6% cumulative redeemable preference shares, 1961 series .....	2,500,000
600,005 common shares .....	2,784,005
Earned surplus (Note 6) .....	316,851
	5,600,856
	<u>\$11,265,064</u>

##### Approved on behalf of the Board:

"C. E. SINE"  
Director

"J. C. MAHAFFY"  
Director

The accompanying notes to consolidated financial statements form an integral part of this statement.

## AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the Consolidated Balance Sheet of Revelstoke Building Materials Limited and its subsidiary companies as at December 31, 1961 and the Consolidated Statements of Profit and Loss and Earned Surplus for the eight months ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion and according to the best of our information and the explanations given to us and as shown by the books of the companies the accompanying Consolidated Balance Sheet and related Consolidated Statements of Profit and Loss and Earned Surplus, together with notes thereto, are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the companies as at December 31, 1961 and the results of their operations for the eight months ended on that date, in accordance with generally accepted accounting principles.

"HENDERSON, WAINES and ANDERSON"

Chartered Accountants.

Calgary, Alberta.

March 14, 1962

### REVELSTOKE BUILDING MATERIALS LIMITED AND SUBSIDIARY COMPANIES

#### CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE EIGHT MONTHS ENDED DECEMBER 31, 1961

##### INCOME:

Operating profit before undernoted items.....	\$ 1,070,789
Investment and other.....	41,728
	<u>1,112,517</u>

##### EXPENSES:

Depreciation and depletion.....	287,447
Interest and discount on long term debt.....	72,355
	<u>359,802</u>
Net profit before providing for taxes on income.....	752,715
Provision for taxes on income.....	368,928
Net income before minority interest.....	383,787
Minority interest.....	17,723
Net Income for Period.....	<u>\$ 366,064</u>

#### CONSOLIDATED STATEMENT OF EARNED SURPLUS FOR THE PERIOD ENDED DECEMBER 31, 1961

Net income for period.....	\$ 366,064
DEDUCT:	
Dividends on 6% preference shares.....	26,713
Amortization of commission on preference shares.....	22,500
	<u>49,213</u>
Balance as at December 13, 1961.....	<u>\$ 316,851</u>

The accompanying notes to consolidated financial statements form an integral part of these statements.



# REVELSTOKE BUILDING MATERIALS LIMITED AND SUBSIDIARY COMPANIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS AT DECEMBER 31, 1961

### NOTE 1—Depreciation and Depletion

Depreciation of property, plant and equipment and depletion of timber rights and leases, are provided on the basis of maximum rates allowable for income tax purposes.

### NOTE 2—Executive Remuneration and Legal Fees

The total amount deducted in the Consolidated Statement of Profit and Loss in respect of salaries and other remuneration paid to counsel, solicitors and executive officers, including all salaried directors, was \$128,607 for the period.

### NOTE 3—Amortization of Deferred Charges

Debenture discount is being amortized over the term of the debentures outstanding. Commission on the sale of preference shares is being amortized, as a direct charge to earned surplus, over a five year period ending December 31, 1965.

### NOTE 4—Funded Debt

20-year Sinking Fund Debentures 6½% Series due 1981:

Authorized and issued.....	\$4,000,000
Less redeemed.....	80,000
Debentures outstanding.....	<u>\$3,920,000</u>

The indenture covering the 20-year Sinking Fund Debentures 6½% Series due 1981 provides for a sinking fund to retire principal amounts annually as follows:

\$ 80,000 in each of the years 1962 and 1963
120,000 in each of the years 1964 and 1965
160,000 in each of the years 1966 to 1970 inclusive
200,000 in each of the years 1971 to 1980 inclusive

leaving a balance of \$800,000 to be retired at maturity. The instalment covering the year 1962 has been anticipated in its entirety.

### NOTE 5—Capital Stock

During the period the authorized capital was increased from 10,000 common shares of a par value of \$1.00 each to 1,000,000 common shares of no par value and 300,000 6% cumulative redeemable preference shares of a par value of \$20.00 each.

During the period the company issued 600,000 common shares for a consideration of \$2,784,000 and 125,000 6% cumulative redeemable preference shares, 1961 Series, for a consideration of \$2,500,000, all in accordance with an underwriting agreement dated August 18, 1961.

### NOTE 6—Earned Surplus

The trust indenture relating to the debentures and the restrictions, conditions and limitations attaching to the preference shares contain provisions whereby dividends may not be declared or paid which would reduce consolidated net current assets or consolidated net tangible assets (as therein defined) below a certain level. As at December 31, 1961 the consolidated net current assets and consolidated net tangible assets were in excess of such requirements.

